



Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 10-6, Maine State Income Tax Withholding

Date: January 15, 2010

To: Holders of TAXES (State of Maine only)  
Personnel User Groups  
T&A Contact Points in Maine

Beginning with wages paid for Pay Period 4, the National Finance Center (NFC) will make the following changes to the state of Maine income tax withholdings:

- The Single and Married withholding tables will change.

To view the updated tax formula, go to NFC's Home Page ([www.nfc.usda.gov](http://www.nfc.usda.gov)) and click the **Publications** link at the top of the page. At the Publications page right-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by "►◄".

For questions about NFC processing, contact the Payroll/Personnel Call Center at **504-255-4630** or the EmpowHR Help Desk at **1-888-367-6955**

JOHN S. WHITE, Acting Director  
Government Employees Services Division

# Maine State Income Tax Information

<b>State Abbreviation:</b>	ME
<b>State Tax Withholding State Code:</b>	23
<b>Acceptable Exemption Form:</b>	W-4 or W-4ME
<b>Basis For Withholding:</b>	State Exemptions
<b>Acceptable Exemption Data:</b>	S, M / Number of Allowances
<b>TSP Deferred:</b>	Yes
<b>Special Coding:</b>	Determine the Total Number Of Allowances Claimed field as follows: <b>First Position</b> – S = Single; M = Married; <b>Second and Third Positions</b> – Enter the number of allowances claimed. If less than 10, precede with a zero.
<b>Additional Information:</b>	If the W-4 is used, code it as a state tax document. An employee who had a filing status of Married, Filing Jointly (N) and wants to claim Married (M) must complete a new W-4 with filing status (M).

## Withholding Formula ►(Effective Pay Period 4, 2010)◄

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment(s) (includes dental and vision insurance program, and flexible spending account – health care and dependent care deductions) from the amount computed in Step 1.
3. Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the amount computed in step 2 to obtain the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages by 26 to obtain the annual wages.
5. Determine the exemption allowance by applying the following guideline and subtract this amount from the result of step 4 to determine the taxable income.  

$$\text{Exemption Allowance} = \$2,850 \times \text{Number of Exemptions}$$
6. Apply the taxable income computed in step 5 to the following table to determine the annual Maine income tax withholding.



**Tax Withholding Table**  
**Single**  
**(Filing Status S)**

If the Amount of Taxable Income Is:		The Amount of Maine Tax Withholding Should Be:		
Over:	But Not Over:			Of Excess Over:
\$ 0	\$ 2,850	\$ 0	plus 0.0%	\$ 0
2,850	►7,800◄	0	plus 2.0%	2,850
►7,800	12,700	99	plus 4.5%	7,800
12,700	22,600	320	plus 7.0%	12,700
22,600	and over	1,013	plus 8.5%	22,600◄

**Married  
(Filing Status M)**

**If the Amount of  
Taxable Income Is:**

**The Amount of Maine  
Tax Withholding Should Be:**

<b>Over:</b>	<b>But Not Over:</b>			<b>Of Excess Over:</b>
\$ 0	\$  6,700	\$ 0	plus 0.0%	\$ 0
6,700	16,650	0	plus 2.0%	6,700
16,650	26,450	199	plus 4.5%	16,650
26,450	46,250	640	plus 7.0%	26,450
46,250	and over	2,026	plus 8.5%	46,250 

7. Divide the annual Maine income tax withholding determined in step 6 by 26 and round to the nearest dollar to obtain the biweekly Maine income tax withholding.

**Note:** If the annual computed tax is \$40 or less, the withholding amount will be changed to zero.